

Results of Environmental Review

- (1) Reference Number
17-041
- (2) Project Name
Polypropylene plant
- (3) Project Site
Texas, U.S.A
- (4) Project Outline
Construction of polypropylene plant
- (5) Category
B
- (6) Reason of Categorization
The project is not located in a sensitive area, nor has it sensitive characteristics, or does not have significant impact on human rights under the Environmental Guidelines.
- (7) Environmental Permission / Approval by the Environmental Authority
The EIA report on this project has not been required for by the local regulations. The air quality permit has been obtained from the Texas Commission on Environmental Quality in August 2017.
- (8) Pollution Prevention
Appropriate measures against air, water quality, waste and noise, etc. have been taken.
- (9) Natural Environmental Considerations
The project site is located next to the existing plant and does not include any protected area or habitats of precious species.
- (10) Social Considerations
No involuntary resettlement occurs. There are no cultural heritage at the

periphery of the project site.

(11) Applied International Standards
World Bank Safeguard Policies

(12) Monitoring

The monitoring results will be reported to the Texas Commission on Environmental Quality every six months by the project sponsors.

(end)

Questions

Q1. Please provide the address of the project site.

Address of the project site: 8811 Strang Rd. La Porte, TX 77572

Q2. Please provide brief explanation of the project.

- Braskem America is proposing a new 450 KTA Polypropylene Project to be located at our facility in LaPorte, TX.
- Final investment decision was 2nd quarter 2017
- Project is schedule to start its operations in 2nd quarter 2020
- Plans are to install licensed technology from Grace for a single line producing Homopolymer, Random Copolymer, Impact Copolymer and Thermo Plastic Olefins (TPO) resins.
- The project is expected to cost \$675 MM USD.

Q3. Will NEXI insurance be applied to a new project or an executing project? In case of an executing project, please inform of strong claims by stakeholders such as local residents, as well as improvement guidance or cessation orders for construction work / operations, from environmental authorities.

- New Project Executing Project (with Claim etc.)
 Executing Project (without Claim etc.) Others (Please specify – the project is currently executing detailed design engineering and procurement activities but no field construction activities have begun at this time, there are no claims currently)

Q4. In case of this project, is it necessary to execute Environmental and Social Impact Assessment (ESIA) based on the laws or regulations of the country where the project is to be implemented? If necessary, please inform the progress of ESIA.

- Required (Completed) Required (Under execution or under planning)
 Not Required Others (Please specify – Under US permitting regulations we are required to assess the impact of the project on the local environment and community. This is not called an ESIA. The project has already received the construction permit which addresses emissions from the project and modelling to ensure there is no adverse impact on the environment or community.)

Q5. In case that ESIA is already completed, please inform whether ESIA report is already approved based on the environmental and social assessment system of the country where the project is to be implemented or not. If ESIA report is already approved, please provide the date and name of authorities of the approval.

- Approved (without condition) Approved (conditional)
 Under approval process Others (Please specify)

Date of Approval: _____
Name of Authorities: _____

Q6. If environmental and social permit(s) other than ESIA is required, please provide the name of required permit(s). Have you obtained required permit(s)?

- Obtained Required, but not obtained yet
 Not required Others (Please specify

Name(s) of required permit(s):

There are two environmental permits associated with the project:

1. Texas Commission on Environmental Quality New Source Review Permit - obtained.
2. Updating the Texas Pollutant Discharge Elimination System permit - not required until we get closer to start-up. This is a notification of any new chemicals that we may be using as part of the project. We do not anticipate any new chemicals of environmental concern.

The stormwater construction plan is not a permit, rather a description of the precautions we will be taking to prevent stream contamination due to erosion and runoff during construction. This is completed

The FAA notice is a request for determination of which elevated structures require aviation lighting. FAA's determination is complete and the project will be including lighting on two structures as well as the crane used to erected these structures.

Q7. Will the insurance be used for the undertaking that cannot specify the project at this stage (e.g. export or lease of machinery that has no relation with specific project, or Two Step Loan that cannot specify the project at the time of loan agreement)?

(Yes / No)

If you answered "Yes", it is not necessary to reply to the following questions.
If you answered "No", please reply to the following questions.

Q8. Are there any environmentally sensitive area(s) shown below in and around project site(s)?

(Yes / No)

If you answered "Yes", please select applicable items by marking, and reply to the following questions.
If you answered "No", please reply to the questions 9 and after.

- (1) National parks, nationally-designated protected areas (coastal areas, wetlands, areas for ethnic minorities or indigenous peoples and cultural heritage, etc. designated by national governments)
- (2) Forests with important ecological value (including primary forests and natural forests in tropical areas)
- (3) Habitats with important ecological value (including coral reefs, mangrove wetland and tidal flats)
- (4) Habitats of rare species requiring protection under domestic legislation, international treaties, etc.
- (5) Areas in danger of large-scale salt accumulation or soil erosion
- (6) Areas with a remarkable tendency towards desertification
- (7) Areas with unique archaeological, historical or cultural value
- (8) Areas inhabited by ethnic minorities, indigenous peoples or nomadic peoples with traditional ways of life (including areas which are used for cultural or spiritual purposes) and other areas with special social value

Q9. Does the project involve following characteristics?

(Yes/ No)

If you answered "Yes", please describe the scale of applicable characteristics, and reply to the questions 10 and after.

If you answered "No", please reply to the questions 11 and after.

- (1) Involuntary resettlement and/or loss of means of livelihood (Number of affected people:)
- (2) Pumping of groundwater (Scale: m3 /year)
- (3) Land reclamation, development and/or clearing (Scale: ha)
- (4) Deforestation (Scale: ha)

Q10. Under the environmental and social impact assessment system of the country where the project is to be implemented, do the applicable characteristics from (1) – (4) of the questions 9 and their scale serve as basis for executing an ESIA for the project?

- They do They do not
- Others (Please specify)

Q11. May the project involve significant social impacts?

(Yes / No)

If you answered "Yes", please describe the outline of the impacts, and reply to the questions 12 and after.
If you answered "No", please reply to the questions 12 and after.

- The likelihood of severe project-related human rights impacts ()
 Others ()

Q12. Will the value insured by NEXI in the export, loan or investment project be equal or less than 5% of the total project cost, or equal or less than SDR 10 million? (In the case of additional support for a past project, this shall be the accumulated total amount)

(Yes / No)

If you answered "Yes", it is not necessary to reply to the following questions.
If you answered "No", please reply to the questions 13 and after.

Q13. Does the project belong to either of the sectors that impact on the environment and society is deemed immaterial or is not anticipated under normal conditions (e.g. maintenance of the existing facilities, non-expansory renovation project, and acquisition of rights and interests without additional capital investment)?

(Yes / No)

If you answered "Yes", it is not necessary to reply to the following questions.
If you answered "No", please reply to the questions 14 and after.

Q14. Does the project belong to the following sectors?

(Yes / No)

If you answered "Yes", please specify the sector by marking, and reply to the questions 15 and after.
If you answered "No", it is not necessary to reply to the following questions.

- (1) Mining
 (2) Oil and natural gas development
 (3) Pipelines
 (4) Iron and steel (projects that include large furnaces)
 (5) Non-ferrous metals smelting and refining
 (6) Petrochemicals (manufacture of raw materials; including complexes)
 (7) Petroleum refining
 (8) Oil, gas and chemical terminals
 (9) Paper and pulp
 (10) Cement plants (including a greenfield quarry)
 (11) Manufacturing and transport of toxic or poisonous substances regulated by international treaties, etc.
 (12) Thermal power
 (13) Nuclear power
 (14) Hydro power, dams and reservoirs
 (15) Power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging or submarine electrical cables
 (16) Roads, railways and bridges
 (17) Airports
 (18) Ports and harbors
 (19) Sewage and wastewater treatment having sensitive characteristics or located in sensitive areas or their vicinity
 (20) Waste management and disposal

- (21) Agriculture involving large-scale land clearing or irrigation
- (22) Forestry
- (23) Tourism (Construction of hotel, etc.)

Q15. Please provide information on the scale of the project (project area, area of plants and buildings, production capacity, amounts of power generation, etc.) Further, please explain whether an execution of EISA is required on account of the large scale of the project in the country where the project is implemented.

n/a.